

EXHIBIT 12

May 10, 2024

Kay Dee Baird
Direct Dial: (317) 238-6306
E-mail: kbaird@kdlegal.com

VIA OVERNIGHT FEDERAL EXPRESS

Paex Landmark Square PA, LP
Attn: Aron Poretz
10 Hill Street, Suite 1E
Newark, New Jersey 07102

Aron Poretz
10 Hill Street, Suite 1E
Newark, New Jersey 07102

RE: NOTICE OF DEFAULT

Dear Mr. Poretz:

Our firm has been engaged to represent the interests of Merchants Bank of Indiana (“Merchants”) with regards to certain commercial credit facilities extended by Merchants to you and Paex Landmark Square PA, LP (“Paex Landmark”). To our knowledge, you and Paex Landmark are not represented by counsel. If you or Paex Landmark are represented by counsel, please direct this letter to said counsel and provide us with contact information for such counsel.

Paex Landmark executed and delivered to the Merchants the following documents:

Facility A:

1. *Promissory Note (Facility A)* dated August 31, 2022 (the “Facility A Note”) in the original principal amount of \$10,736,000;
2. *Loan Agreement (Facility A)* dated August 31, 2022 (the “Facility A Loan Agreement”);
3. *Mortgage, Assignment of Leases and Rents, Security Agreement, Financing Statement and Fixture Filing (Facility A)* dated August 31, 2022 (the “Facility A Mortgage”), wherein Paex Landmark granted Merchants a security interest in certain real estate more particularly described in Exhibit A of the Mortgage and located in Erie County, Pennsylvania (the “Real Estate”);
4. *Assignment of Leases and Rents (Facility A)* dated August 31, 2022 (“Facility A Assignment of Rents”), wherein Paex Landmark granted Merchants a security interests in, among other things, the rents and leases from the Real Estate (the “Rents and Leases”);
5. *Continuing Guaranty (Facility A)* dated August 31, 2022, executed by you in favor of Merchants (“Facility A Guaranty”); and
6. *Replacement Reserve Agreement (Facility A)* dated August 31, 2022 (“Facility A Reserve Agreement”), executed by Paex Landmark in favor of Merchants.

Paex Landmark Square PA, LP
May 10, 2024
Page 2 of 3

The Facility A Note, Facility A Loan Agreement, Facility A Mortgage, Facility A Assignment of Rents, Facility A Guaranty and Facility A Reserve Agreement collectively are the “Facility A Loan Documents”.

Facility B:

1. *Promissory Note (Facility B)* dated August 31, 2022 (the “Facility B Note”) in the original principal amount of \$1,764,000;
2. *Loan Agreement (Facility B)* dated August 31, 2022 (the “Facility B Loan Agreement”);
3. *Mortgage, Assignment of Leases and Rents, Security Agreement, Financing Statement and Fixture Filing (Facility B)* dated August 31, 2022 (the “Facility B Mortgage”), wherein Paex Landmark granted Merchants an additional security interest in the Real Estate;
4. *Assignment of Leases and Rents (Facility B)* dated August 31, 2022 (“Facility B Assignment of Rents”), wherein Paex Landmark granted Merchants an additional security interests in, among other things, the Rents and Leases; and
5. *Continuing Guaranty (Facility B)* dated August 31, 2022, executed by you in favor of Merchants (“Facility B Guaranty”).

The Facility B Note, Facility B Loan Agreement, Facility B Mortgage, Facility B Assignment of Rents and Facility B Guaranty collectively are the “Facility B Loan Documents.” The Facility A Loan Documents and Facility B Loan Documents collectively are the “Loan Documents.”

Events of default have occurred under the Loan Documents including, but not limited to, the failure to make timely payments when due thereunder (the “Default”). Upon an event of default, Merchants has the option to, among other things, accelerate the amounts due under the Loan Documents, foreclose on the Real Estate, request the appointment of a receiver and request all rents be turned over to Merchants. As of May 9, 2024, Paex Landmark is indebted to Merchants as follows:

1. Note A – \$11,029,998.16 including principal in the amount of \$10,736,000.00, interest in the amount of \$318,453.62 (less General Suspense balance of \$56,230.88) late fees in the amount of \$31,775.42, and interest which continues to accrue from and after May 9, 2024, at the per diem rate of \$2,630.32;
2. Note B – \$270,115.38, including principal in the amount of \$264,000.00, interest in the amount of \$5,821.20, late fees in the amount of \$294.18, and interest which continues to accrue from and after May 9, 2024, at the per diem rate of \$64.68; and
3. Attorneys’ fees and costs incurred by Merchants in an as-yet undetermined amount

Paex Landmark Square PA, LP
May 10, 2024
Page 3 of 3

(collectively, the “Indebtedness”). Paex Landmark may satisfy its obligations under the Loan Documents by remitting the sum of \$11,300,113.54 to Merchants no later than 5:00 p.m. on May 20, 2024. In the event Paex Landmark fails to remit such sums by May 20, 2024, Merchants may exercise all of its rights and remedies under the Loan Documents including, but not limited to, filing litigation to enforce the Loan Documents. Merchants specifically reserves all remedies available to it, at law or equity, to enforce the collection of outstanding amounts due under the Loan Documents, and all other charges and expenses to which it is entitled to reimbursement.

Additionally, pursuant to the Facility A Assignment of Rents and Facility B Assignment of Rents, Merchants further reiterates its demand that all rent received by Paex Landmark for the Real Estate be remitted to Merchants no later than May 20, 2024. Such rents, along with a ledger itemizing the rent, tenant and rental period should be sent to Merchants at the following address:

Robert J. Burtner
Executive Vice President
Merchants Capital
410 Monon Boulevard, 5th Floor
Carmel, Indiana 46032

To the extent additional rents are received by Paex Landmark after May 20, 2024, such rent shall be remitted to Merchants at the address above within seventy-two (72) hours of receipt along with ledger information requested above.

Please contact the undersigned if you have any questions. Your anticipated cooperation is appreciated.

Sincerely,



Kay Dee Baird

Cc: Robert J. Burtner, Merchants Capital (via email only)

ORIGIN ID:GSHA (317) 238-6306
KAY DEE BAIRD
KRIEG DEVAULT LLP
ONE INDIANA SQUARE
SUITE 2800
INDIANAPOLIS, IN 46204
UNITED STATES US

SHIP DATE: 10MAY24
ACTWGT: 0.50 LB
CAD: 105506755/INET4535

BILL SENDER

TO **ATTN: ARON PURETZ**

**10 HILL STREET
SUITE 1E
NEWARK NJ 07102**

(000) 000-0000

REF: GTSB-54

INV:

PQ:

DEPT:



FedEx
Express



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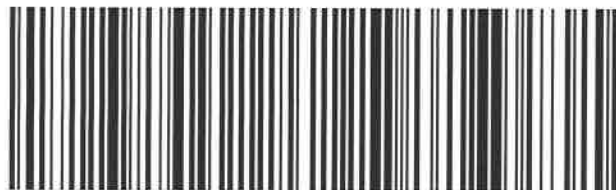
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TRK# 7763 3389 9836
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**SATURDAY 12:00P
PRIORITY OVERNIGHT**

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**07102
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ORIGIN ID:GSHA (317) 238-6306
KAY DEE BAIRD
KRIEG DEVAULT LLP
ONE INDIANA SQUARE
SUITE 2800
INDIANAPOLIS, IN 46204
UNITED STATES US

SHIP DATE: 10MAY24
ACTWGT: 0.50 LB
CAD: 105506755/INET4535

BILL SENDER

TO **ATTN: ARON PURETZ**
PAEX LANDMARK SQUARE PA, LP
10 HILL STREET
SUITE 1E
NEWARK NJ 07102

56334/C4589AE3

(000) 000-0000

REF: GTSB-54

INV:

PO:

DEPT:



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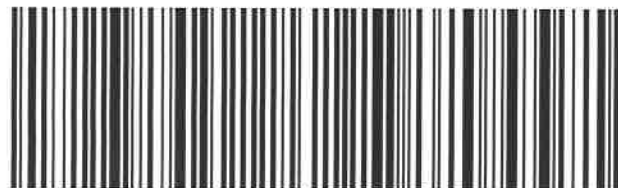
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TRK# 7763 3387 8194
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SATURDAY 12:00P
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